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Elaine F. Marshall  
North Carolina Secretary of State  
C200634600083

ARTICLES OF INCORPORATION

OF THE

PRINCETON MANOR HOMEOWNERS ASSOCIATION, INC.

A NON-PROFIT CORPORATION

THE UNDERSIGNED, being a natural person of the age of twenty-one years or more, does make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit Corporation under and by virtue of the laws of the State of North Carolina.

ARTICLE I

NAME

The name of the Corporation is PRINCETON MANOR HOMEOWNERS ASSOCIATION, INC. (hereinafter sometimes called the "Corporation" or "Association").

ARTICLE II

DURATION

The period of duration of the Corporation shall be perpetual.

ARTICLE III

PURPOSES AND POWERS

The purposes for which the Corporation is organized are as follows:

- (a) To provide for the maintenance, preservation and architectural control of the Lots and Common Area, including any Entry Features, and continue on within that certain property (hereinafter "Property") described in that certain Declaration of Covenants, Conditions and Restrictions of PRINCETON MANOR HOMEOWNERS ASSOCIATION, INC. (hereafter "Declaration"), recorded or to be recorded with the Office of the Register of Deeds of Franklin County, North Carolina; and
- (b) To promote the social welfare of the residents within

the Property and any additions thereto as may hereafter be brought within the jurisdiction of this Association within the meaning of IRC § 501(c)(4) or the corresponding provision of any future United States Internal Revenue Law.

For the specific purposes named herein, the Association shall have the following powers:

- (a) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and as the same may be amended from time to time as therein provided, said Declaration being incorporated by reference as if fully set forth herein; and
- (b) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration in order to pay all expenses of the Association including all licenses, taxes or governmental charges levied or imposed against the property of the Association; and
- (c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, all in accordance with laws and ordinances of Franklin County, North Carolina and any other local governing entities; and
- (d) To borrow money, and with the assent of the members as set forth in the Bylaws of the Association, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, but such rights of the mortgagee shall at all times remain subordinate to the rights of members of the Association; and
- (e) To dedicate, sell or transfer all or any part of the Common Area, grant an easement or right-of-way across the Common Area to any public agency, authority,

utility, or to any other person for such purposes and subject to such conditions as may be agreed to by the members as set forth in the Bylaws; and

- (f) To exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of North Carolina may now or hereafter exercise.

Notwithstanding any other provisions of these Articles, this organization shall not carry on any other activities not permitted to be carried on by an organization exempt from Federal income tax under IRC § 501(c)(4) or the corresponding provision of any future United States Internal Revenue Law. The Association does not contemplate a pecuniary gain or profit to the members thereof. The Association is a non-stock corporation and no part of the profits, if any, of the Association shall inure to the pecuniary benefit of its members, or any of them, or to any other person.

#### ARTICLE IV DISSOLUTION

Upon dissolution of the Corporation, any property owned by the Corporation (hereinafter "Common Area") shall first be offered to the appropriate governmental entity or public agency, as is made clear from the zoning of the subdivision. If there is no appropriate governmental entity or public agency to which to offer the property or if the appropriate governmental entity or public agency refuses the offer of dedication and conveyance, the Association may transfer and convey such Common Area and assets to any nonprofit Corporation, Association, trust or other entity which is or shall be devoted to the purposes and uses that would most nearly conform to the purposes and uses to which the Common Area was required to be devoted by the Declaration. If there is no nonprofit Corporation, Association, trust or other entity that will accept such transfer and conveyance of the Common Area and assets of the Association, then there shall be no dissolution of the Association.

ARTICLE V

## MEMBERSHIP AND VOTING RIGHTS

Each person or entity who is a record owner of a fee or undivided fee interest in any Lot which is a part of the Property subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. This definition shall not include persons or entities who hold an interest merely as security for the performance of an obligation or trustees under a security instrument. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot, which is subject to assessment, by the Association.

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any such Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote or a fractional vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant and shall be entitled to two (2) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) seventy-five percent (75%) of the Lots have been sold by Declarant; or
- (b) on January 1, 2012.

ARTICLE VI

## BOARD OF DIRECTORS

The duly elected directors of the Corporation shall be elected pursuant to the terms of the Bylaws. The initial number of directors is two. The names and addresses of the initial members of the Board of Directors who shall serve until their successors are duly qualified and elected pursuant to the terms of the Bylaws are:

- (1) Sanford Bailey  
2804 Kimmon Way  
Wake Forest, NC 27587
- (2) Robert P. Pace  
2804 Kimmon Way  
Wake Forest, NC 27587

ARTICLE VII

REGISTERED OFFICE

The initial registered office and the principal office of the Corporation is 2804 Kimmon Way, Wake Forest, Wake County, North Carolina 27587, which is both mailing address and the street address, and the registered agent at this office shall be Sanford Bailey.

ARTICLE VIII

INCORPORATOR

The name and address of the incorporator is Elizabeth M. Gillikin Whitworth, P.O. Box 1187, 343 South White Street, Wake Forest, North Carolina 27587.

ARTICLE IX

AMENDMENTS

Any amendment to these Articles of Incorporation shall require the assent of two-thirds (2/3rds) of the membership of the Association.

ARTICLE X

DEFINITIONS

The terms as used herein shall have those definitions set forth in the Declaration.

IN TESTIMONY WHEREOF, I have hereunto set my hand, this 11  
day of December, 2006.

  
ELIZABETH M. GILLIKIN WHITWORTH,  
INCORPORATOR